



XCHANGING SOLUTIONS LIMITED- BOARD EVALUATION POLICY

This revised Board Evaluation Policy shall come into effect from April 1, 2019

1. PREAMBLE

The Board of Directors (the “Board”) of Xchanging Solutions Limited (the “Company” or “XSL”), acknowledges its intention to establish and follow “good practices” in Board governance in order to fulfill its fiduciary obligation to all the stakeholders. It has adopted the following Policy and procedures with regard to board evaluation as defined below. The Nomination and Remuneration Committee will review and may recommend the amendments in this Policy to the Board from time to time.

This Policy is to regulate the evaluation of the Board (including the Independent Directors) based on the laws and regulations applicable on the Company.

2. PURPOSE

This Policy is framed as per requirement of Sections 134, 178, Schedule IV of the Companies Act, 2013 (“Act”) read with applicable Regulations under the Act and Regulation 19 or other applicable regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“Listing Regulations”) and the purpose of the Board evaluation is to give all Board members an opportunity to evaluate and discuss the Board’s performance with candor and from multiple perspectives. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time, and increased effectiveness of the Board as a governing body.

3. DEFINITIONS

- a) **“Board”** means Board of Directors of the company
- b) **“Company”** means Xchanging Solutions Limited.
- c) **“Companies Act, 2013”** means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the “Act”).
- d) **“Committee”** means Nomination and Remuneration Committee of Board of Directors of the Company
- e) **“Directors”** mean Directors of the Company.
- f) **“Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.
- g) **“Key Managerial Personnel”** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- h) **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.
- i) **“Policy”** means Board Evaluation Policy.



4. EVALUATION FRAMEWORK

4.1. The performance evaluation framework consists of three parts / categories as per below:

- Performance Evaluation of Committees
- Performance Evaluation of the Board as a whole
- Performance Evaluation of Individual Directors

4.2. The evaluation of independent directors shall be done by the entire board of directors which shall include

- performance of the directors; and
- fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

4.3. As a Board member role during evaluation will be as follows:

- Complete self-evaluation of the Committee(s) are part of;
- Complete self-evaluation of the Board as a whole; and
- Take part in peer evaluation of all your colleagues on the Board

5. EVALUATION PROCESS

The Evaluation Process for all the aforesaid categories shall be carried out as follows:

- The evaluation process shall be carried out annually i.e. once in a financial year;
- The evaluation process shall be initiated each year by:
 - The Chairman of the Committee(s) in case of performance evaluation of the Committee(s);
 - The Chairman of the Nomination and Remuneration Committee in case of performance evaluation of the Board as a whole; and
 - The Chairman of the Board in case of performance evaluation of individual directors.

The aforesaid processes shall be co-ordinated by Key Managerial personnel who will assist the respective chairman in the evaluation process.

- Format of Evaluation Forms are attached herewith as Annexure-I.
- Company Secretary will send evaluation form to each board member.
- Committee(s) / Board members shall complete the forms and return them to the Company Secretary.
- Company Secretary will tabulate the results and share the summary report with the Committee(s) and the Board.



6. EFFECTIVE DATE OF THE POLICY

This Policy will come into effect from the date of approval of the same by the Board of Directors of Company.

7. AMENDMENTS TO THE POLICY

The Board of Directors, on its own and / or as per the recommendations of Nomination Remuneration Committee can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Incorporated w.e.f.: November 6, 2015
Revised w.e.f.: April 1, 2019



Annexure-I

REVIEW OF THE BOARD'S COMMITTEES FOR THE YEAR ENDED

Name of the Director:

S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
1	<u>Mandate and composition:</u> The mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
2	<u>Effectiveness of the Committee:</u> Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
3	<u>Structure of the Committee and meetings:</u> 1. The Committees have been structured properly and regular meetings are being held.						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
	2. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board.						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
d) Stakeholder Relationship Committee							
4	<u>Independence of the Committee from the Board:</u>						



	Adequate independence of the Committee is ensured from the Board						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
5	<u>Contribution to decisions of the Board:</u> The Committee's recommendations contribute effectively to decisions of the Board						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						

Signature:
 Name of the Director:.....



REVIEW OF THE BOARD AS A WHOLE FOR THE YEAR ENDED _____

Name of the Director:

(A)STRUCTURE OF THE BOARD							
S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
1	Competency of directors: The Board as a whole has directors with a proper mix of competencies/knowledge to conduct its affairs effectively.						
2	Experience of directors: The Board as a whole has directors with enough experience to conduct its affairs effectively.						
3	Mix of qualifications: The Board as a whole has directors with proper mix of qualifications to conduct its affairs effectively.						
4	Diversity in Board under various parameters: Gender/Background/competence/experience, etc- there is sufficient diversity in the Board on the aforesaid parameters.						
5	Appointment to the Board: The process of appointment to the board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.						

(B) MEETINGS OF THE BOARD							
S. No	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
6	Regularity of meetings: The meetings are being held on a regular basis.						
7	Frequency: a. The board meets frequently						
	b. The frequency of such meetings is enough for board to undertake its duties properly.						
8	Logistics: The logistics for the meeting is being handled properly - venue, format, timing, etc.						
9	Agenda: a) The agenda is circulated well before the meeting						
	b) The agenda has all relevant information to take decision on the matter.						



	c) The agenda is up to date, regularly reviewed and involves major substantial decisions.						
	d) The quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.)						
	e) The open items of previous meeting is put up and discussed in subsequent meeting						
	f) The time allotted for every item (especially core discussion points) in the agenda of the meeting is sufficient for adequate discussions on the subject.						
	g) The Board is able to finish discussion and decision on all agenda items in the meetings.						
	h) Adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting.						
	i) The agenda includes adequate information on Committee's activities						
10	<u>Discussions and dissent:</u> a) The Board discusses every issue comprehensively and depending on the importance of the subject						
	b) The environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervour						
	c) The discussions generally add value to the decision making						
	d) The Board tend towards group thinking, critical inputs and suggestions are welcomed						
	e) All members actively participate in the discussions						
	f) The Board overall functions constructively as a team						
11	<u>Recording of Minutes:</u> a) The minutes are being recorded properly, clearly, completely, accurately and consistently.						
	b) The minutes are approved properly in accordance with set procedure.						
	c) The minutes are timely circulated to all the Board members.						
	d) Critical inputs and suggestions are recorded in the minutes.						
12	<u>Dissemination of information:</u> a) All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly.						



	b) Board is adequately informed of material matters in between meetings.						
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(C) FUNCTIONS OF THE BOARD

S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
13	<p><u>Role and responsibilities of the Board:</u> Role and responsibilities of the Board are clearly documented E.g. Difference in roles of Chairman and CEO, Matters reserved for the Board, etc.</p>						
14	<p><u>Strategy and performance evaluation:</u> a) Significant time of the Board is being devoted to management of current and potential strategic issues</p>						
	<p>b) Various scenario/ situation planning is used to evaluate strategic risks</p>						
	<p>c) The Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.</p>						
15	<p><u>Governance & Compliance:</u> a) Adequate time of the Board is being devoted to analyse and examine governance and compliance issues.</p>						
	<p>b) The Board monitors the effectiveness of its governance practices and makes changes as needed</p>						
	<p>c) The Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p>						
	<p>d) The Board oversees the process of disclosure and communications</p>						
	<p>e) The Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance</p>						



16	<p>Evaluation of Risks: a) The Board undertakes a review of the high risk issues impacting the organization regularly</p> <p>b) In assessment of risks, it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk</p>						
17	<p>Grievance redressal for Investors: The Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.</p>						
18	<p>Conflict of interest: a) The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions</p> <p>b) A sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest</p>						
19	<p>Stakeholder value and responsibility: a) The decision-making process of the Board is adequate to assess creation of stakeholder value</p> <p>b) The Board has mechanisms in place to communicate and engage with various stakeholders</p> <p>c) The Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders</p> <p>d) The Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently</p> <p>e) The Board regularly reviews the related corporate social responsibility initiatives of the entity and contribution to society, environment etc</p>						
20	<p>Corporate culture and values: The Board sets a corporate culture and the values by which executives across the group shall behave.</p>						
21	<p>Review of Board evaluation: The Board monitors and reviews the Board evaluation framework.</p>						



22	<p><u>Facilitation of independent directors:</u> The Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.</p>						
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(D) BOARD AND MANAGEMENT

S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
23	<p><u>Evaluation of performance of the management and feedback:</u> a) The Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance. b) The measures used are broad enough to monitor performance of the management c) The management's performance is benchmarked against industry peers d) The remuneration of the management is in line with its performance and with industry peers e) The remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders f) The Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation g) The Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus</p>						
24	<p><u>Independence of the management from the Board:</u> The level of independence of the management from the Board is adequate</p>						
25	<p><u>Access of the management to the Board and Board access to the management:</u> The Board and the management are able to actively access each other and exchange information</p>						



26	Secretarial support: Adequate secretarial and logistical support is available for conducting Board meetings						
27	Fund availability: Sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice E.g. Legal, accounting, etc.						
28	Succession Plan: An appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board						

(E) PROFESSIONAL DEVELOPMENT

S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
29	Adequate induction and professional development programmes are made available to new and old directors						
30	Continuing directors training is provided to ensure that the members of board of directors are kept up to date						

Signature:
Name of the Director:.....



REVIEW OF INDIVIDUAL DIRECTORS & CHAIRPERSONS OF THE COMPANY FOR THE YEAR ENDED

Name of the Director:

S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
1	<u>Knowledge and Competency:</u> 1. How the person fares across different competencies as identified for effective functioning of the entity and the Board						
	Mr.....						
	Mr.....						
	Mr.....						
	2. The person has sufficient understanding and knowledge of the entity and the sector in which it operates						
	Mr.....						
	Mr.....						
2	<u>Fulfillment of functions:</u> The person understands and fulfills the functions to him/her as assigned by the Board and the law (E.g. Law imposes certain obligations on independent directors)						
	Mr.....						
	Mr.....						
	Mr.....						
3	<u>Ability to function as a team:</u> The person is able to function as an effective team- member						
	Mr.....						
	Mr.....						
	Mr.....						
4	<u>Initiative:</u> The person actively takes initiative with respect to various areas						
	Mr.....						
	Mr.....						
	Mr.....						
5	<u>Availability and attendance:</u> The person is available for meetings of the Board and attends the meeting regularly and timely, without delay						
	Mr.....						
	Mr.....						



	Mr.....						
6	<u>Commitment:</u> The person is adequately committed to the Board and the entity						
	Mr.....						
	Mr.....						
	Mr.....						
7	<u>Contribution:</u> The person contributed effectively to the entity and in the Board meetings						
	Mr.....						
	Mr.....						
	Mr.....						
8	<u>Integrity:</u> The person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)						
	Mr.....						
	Mr.....						
	Mr.....						
9	<u>Independence:</u> The person is independent from the entity and the other directors and there if no conflict of interest						
	Mr.....						
	Mr.....						
	Mr.....						
10	<u>Independent views and judgement:</u> The person exercises his/ her own judgement and voices opinion freely						
	Mr.....						
	Mr.....						
	Mr.....						
11	<u>Effectiveness of leadership and ability to steer the meetings:</u> The Chairperson displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively						
12	<u>Impartiality:</u> The Chairperson is impartial in conducting discussions, seeking views and dealing with dissent, etc						
13	<u>Commitment:</u> The Chairperson is sufficiently committed to the Board and its meetings						



14	Ability to keep shareholders' interests in mind: The Chairperson is able to keep shareholders' interest in mind during discussions and decisions.						
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Signature:

Name of the Director: -.....



REVIEW OF EVALUATION PROCESS FOR THE YEAR ENDED _____

Name of the Director: **Mr.**

S. No	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (If any)
1	The objectives and criteria for evaluation are adequate or needs to be changed/ updated						
2	The process/method of evaluation is appropriate for individual members, Committees and the Board						
3	The actions based on the Board evaluation is being followed up on a timely basis						
4	The Board evaluation has enhanced effectiveness of the Board						
5	The review of the process is being done on a regular basis						
6	Whether feedback of the members to improve the process is being taken into account						

Signature:

Name of the Director: